



AUDIT COMMITTEE

16th April 2019

AGENDA ITEM (14)

PROPOSED 2019/20 INTERNAL AUDIT PLAN AND INTERNAL AUDIT CHARTER

Accountable Members	Audit Committee
Accountable Officer	Jenny Poole Chief Finance Officer 01285 623313 Jenny.Poole@publicagroup.uk
Purpose of Report	To present the Internal Audit Plan for consideration and approval. To present the updated Internal Audit Charter for consideration and approval.
Recommendation(s)	That the Proposed 2019/20 Internal Audit Annual Plan and the Internal Audit Charter be approved
Reason(s) for Recommendation(s)	The work of Internal Audit is carried out in accordance with, and is assessed against, the Public Sector Internal Audit Standards (PSIAS). These Standards require the Chief Internal Auditor to produce an Annual Risk Based Internal Audit Plan to determine the priorities of the internal audit activity.
Ward(s) Affected	N/A
Key Decision	No
Recommendation to Council	No
Financial Implications	As detailed within the report
Legal and Human Rights Implications	As detailed within the report
Environmental and Sustainability Implications	N/A
Human Resource Implications	As detailed within the report

Key Risks	Internal Audit activity is needed each year to satisfy assurance requirements. For example, the requirement for the Council to review its systems of internal control and governance procedures relating to the Annual Governance Statement
Equalities Impact Assessment	Not Required

Related Decisions	N/A
Background Documents	None
Appendices	Appendix ‘A’ – Proposed 2019/20 Internal Audit Plan and Internal Audit Charter

Performance Management Follow Up	Performance of the 2019/20 Audit Plan will be monitored by the Section 151 Officer in liaison with SWAP Internal Audit Services (SWAP) and will be reported regularly to the Audit Committee.
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Options for Joint Working	The Audit Plan will be delivered by SWAP Internal Audit Services. SWAP is a Teckal company; the Council is one of the shareholders.
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<p>1. <u>Proposed 2019/20 Internal Audit Plan</u></p> <p>1.1. The primary role of Internal Audit is to provide assurance that the Council’s systems provide for a proper administration of its affairs. To this end, Internal Audit carries out a programme of audits that is agreed annually with the Council’s Management Team and the Audit Committee. The Internal Audit service is provided to the Council by SWAP Internal Audit Services (SWAP).</p> <p>1.2. In order to satisfy the requirements of the Public Sector Internal Audit Standards (PSIAS) and to reflect changes within the Council, SWAP needs to focus upon areas where the organisation now requires assurance. This reinforces the requirement for Internal Audit to follow a more flexible and risk-based plan.</p> <p>1.3. The core financial systems delivered to the Council by Publica are covered within the Core Financials section of the Audit Plan. The scope of audits will include both Publica and client-side activities providing;</p> <ul style="list-style-type: none"> • Assurance to the client (Cotswold District Council) over the controls, and system controls, operated by Publica Officers, for each financial module. • Periodic assurance over the other services provided by Publica. • The required support to the External Auditor. <p>1.4. A summary of the Proposed Internal Audit Plan for 2019/20 is included in the Appendix ‘A’. This lists the risk-based assurance and consultancy work planned for the year. Counter fraud related audit work has not been included in this audit plan.</p> <p>1.5. The Plan outlines a preferred programme of work for 2019/20 as developed throughout January and February 2019. The Audit Plan presented is not “set in stone” and may evolve in response to issues highlighted through risk and change management and monitoring. Any changes to the agreed plan will only be made through a formal process involving the Section 151 Officer.</p>
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2. Internal Audit Charter

- 2.1. The Internal Audit Charter is a requirement of the arrangement between Cotswold District Council and SWAP. The charter ensures compliance with good practice as set out in the International Professional Practices Framework of the Institute of Internal Auditors and the Public Sector Internal Audit Standards (PSIAS).
- 2.2. The Charter demonstrates how the Internal Audit service will operate, and forms part of the requirements of the Public Sector Internal Audit Standards.
- 2.3. The Charter provides guidance on authority, accountability, customer care (quality control), independence, reporting, responsibility and audit standards.
- 2.4. Without an approved charter there is a risk that SWAP will not have:
- The support of management and the Council
 - Direct access and freedom to support senior management including the Head of Paid Service and the Audit Committee
 - Access to any records, personnel or physical property of the Council for audit work.

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